Publication M-1436C

**MASSACHUSETTS BUSINESS ACCEPTANCE TESTING
(MBATS)**

CORPORATE, FIDUCIARY & PARTNERSHIP TEST PACKAGE

Tax Year 2007

WHO MUST TEST?

The Massachusetts Department of Revenue requires that all Software Developers and Transmitters (Vendors) pass the Massachusetts Business Acceptance Testing (MBATS) before they can be accepted into the electronic filing program for the Tax Year 2007 filing season.

WHY TEST?

The purpose of testing is to ensure that prior to live processing:

1. Vendors transmit in the correct format and meet the DOR electronic filing specifications
2. Returns have no validation or math errors

CORPORATE, FIDUCIARY AND PARTNERSHIP RETURNS NAMING CONVENTION

Corporate, Fiduciary and Partnership return files should have the following naming convention, where "CORP" in the file name should always be upper case:

Syntax: CORP[fid][yr][mo][day][hr][min][sec].xml
Example: CORP123456789 20030101145959.xml

Where:

[fid] is the FID number used to log into SSH.
[yr] is the 4 digit year.
[mo] is 01-12.
[day] is 01-31.
[hr] is 01-24.
[min] is 01-60.
[sec] is 01-60.

TEST INDICATORS

Test returns should be identified with a "T" in the ProcessType element, and test files should be identified with an extension of .test.

CORPORATE, FIDUCIARY AND PARTNERSHIP RETURN ACK. FILES

To retrieve Corporate, Fiduciary and Partnership Return Acknowledgement files, use the instructions in the Transfer from DOR section in the TY2006 Bulk E-Filer Registration and Transmission Guide. The name of the acknowledgement file is the same name as the file you sent with the suffix ".ack". Outbound files will be unzipped. So for example, if you sent the file in as named above, the acknowledgement file would be named:

CORP121212121200030101145959.xml.ack

GROUPING OF RETURNS WITHIN A FILE

Within each file please group as follows:

Group all returns by return type (355s together, 355Cs together, etc)
Group all Refund returns together within return type
Group all Refund returns with Overpayment carried forward together within return type
Group all Tax Due returns with Payments attached together within return type
Group all Tax Due returns without Payments together within return type
Group all Zero Tax Due returns together within return type

If the transmission is not ordered this way, it will still be accepted. This will not result in an error, but your file will get processed faster if it is ordered accordingly.

TEST RETURNS

This year MBATS will emulate the IRS procedure of providing scenarios for vendors to create their own test returns, there will be no test package. The scenarios cover the Form 355, Form 355C, Form 355S, Form 355SC, 355-7004, Form 2, Form 2-G, Form 3, M-8736 and all supporting Forms and Schedules. In addition, all vendors are allowed and encouraged, but not required, to create additional test returns as they see necessary. Please create each test return so that it contains all the memo fields that you support for the forms/schedules in each scenario. Vendors are required to advise DOR of all limitations of their software package.

The criteria for the test scenarios provide some of the information needed to prepare the appropriate forms and schedules; however, computations and data for all lines have not been provided. Therefore, some knowledge of tax law and tax preparation is necessary. You must correctly prepare and compute these returns before transmitting to DOR.

The taxpayer name on each test return should use the following convention:

First name = Vendor name
Last name = Test number (alpha)

As an example, the taxpayer name for test 1 for Acme software would be Acme One.

TEST EINS

All test returns created from the scenarios provided must use the assigned test EIN's. Any additional test returns submitted must use the EIN's below assigned for this purpose.

Test Scenario EIN's:

405555555
400001111
402222225
402222226
402222227
400445555
405757575
409999999
408888888
126549876
408888888
404240010
407777777

DO NOT use any other EIN's during testing.

TESTING PROCEDURE

CORPORATE:

Vendors are required to send a test file containing at least five of the Department's corporate test returns, as well as a file containing five of their own corporate test returns. The software developers own test files should contain a minimum of five returns containing at least one instance of every form and schedule the software developer supports.

FIDUCIARY AND PARTNERSHIP:

Software developers are required to send a test file containing at least five returns containing at least one instance of every form and schedule the software developer supports. The test file may contain a combination of the software developers test returns and the Department's test returns.

TESTING ACCEPTANCE CRITERIA

Each test file must contain only one tax type; however, within a tax type there can be more than one type of return, for example: a corporate file can contain 355, 355C, 355S, etc.

A file containing a minimum of five returns of the Department's test returns (corporate only).

A file containing a minimum of five returns (per tax type) of the software developers test files containing at least one instance of every form and schedule supported.

All the returns in the test files must be error free.

If any test return is rejected during testing, the vendors must:

1. Review the acknowledgement file to identify the error(s)
2. Correct the return and/or the software
3. Contact the e-file coordinator if the cause of the reject cannot be determined
4. Retransmit the test file until it has been accepted

Once all of the vendors test files have been accepted, the vendor should inform the e-file coordinator that they are done testing. After confirmation that the vendor has met all of the acceptance criteria, an email of MBATS acceptance will be issued.

TEST RETURN 1

FORM: FORM 355

TYPE OF CORPORATION: CLASSIFIED Mfg.

EIN: 405-55-5555

SCHEDULES: A, B, C, E, E-1, CD, CR, A-1, A-2, A-3, AA-1,
                                   ABI, ABIE, A-HRC, A-LIHC, BC, CIR, E-2,
                                   EE-LIHC, EOAC, F, F-2, H, H-2, HM, IC-HRC,
                                   M-1, NIR, RC, RFC, TDS, T-HRC, T-LIHC

FORMS: M-2220

RETURN DETAILS: Please maximize the amount for the Refundable Film Credit.

FORM/SCHEDULE DETAILS:

SCHEDULE A, LINE 18   >10,000,000

SCHEDULE F   MUTIPLE STATES

ADDITIONAL NOTES: Use the ty06 rates for the Form M-2220.

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TEST RETURN 2

FORM: FORM 355

EIN: 400-00-1111

SCHEDULES: A, B, D, E, E-1, CD, CR, E-2, FEC, M-1, RNW,
                                         VP

FORMS:

RETURN DETAILS: Short year return; Begin date 01/01/07, and End Date 05/31/07.

FORM/SCHEDULE DETAILS:

ADDITIONAL NOTES:

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TEST RETURN 3

FORM: FORM 355C
                                        (PRINCIPAL REPORTING CORP.)

TYPE OF CORPORATION: R& D

EIN: 400-22-2225

SCHEDULES: A, B, C, E-1, CD, CR, A-1, A-2, A-3, AA-1,
                                        ABI, ABIE, BC, CG, CIR, E-2, E-CG, EOAC, F,
                                        F-2, H, H-2, M-1, NIR, RC, TDS

FORMS:

RETURN DETAILS: Entire group must have positive net income. Recapture scenarios for
Vanpool credit (with offsets against credits previously expired with a net recapture tax > 0.)
and EOA credit (with the recapture fully offset). Schedule CIR should include at least 1
corporation that does not file in Massachusetts and 1 that does file here but is not part of the
combined group (a security corporation.). Schedules BC and EOAC should show relatively
small amounts of credit generated and all of the credit available (including carryover) should
be used by this taxpayer against that taxpayer's separate excise as determined on Schedule E-
CG, line 29. Schedule RC as filed with Test Return 3 should generate a relatively small
amount of credit for the group and 90% of it should be credited to this taxpayer, a similarly
small amount should be available for carryover. All of the RC credit available to this taxpayer
should be used against its own excise as determined on Schedule E-CG. The total of its own
credits (BC + EOAC + RC) available to this taxpayer must be at least $1,000 less than its
separately determined excise before credits from Schedule E-CG. Must include (in Schedule
CR) credits earned by the affiliate filing Test Return 5. This should reflect credits taken by
Test return 5 against its share of the income measure of excise (from its own schedule E-CG).

FORM/SCHEDULE DETAILS:

SCHEDULE A, LINE 18   >10,000,000

SCHEDULE F   MUTIPLE STATES

ADDITIONAL NOTES:

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TEST RETURN 4

FORM: 355C (AFFLIATE)

TYPE OF CORPORATION: CLASSIFIED MFG

EIN: 402-22-2226

SCHEDULES: A, B, C, E-1, CD, CR, A-1, A-3, AA-1, E-CG, F,
                                     H, M-1, RC

FORMS: M-2220

RETURN DETAILS: This return should have plenty of excess ITC generated on schedule H that it cannot use and cannot share. The schedule RC should show no expenses and no credit generated but should calculate this corporation's share of the RC limitation. This corporation should be allowed to use the research credit generated by Test Return 5.

FORM/SCHEDULE DETAILS:

SCHEDULE E-CG   LOSS

ADDITIONAL NOTES: Use the ty06 rates for the Form M-2220.

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TEST RETURN 5

FORM: 355C (AFFLIATE)

TYPE OF CORPORATION: CLASSIFIED MFG

EIN: 402-22-2227

SCHEDULES: A, B, D, E-1, CD, CR, A-2, AA-1, E-2, E-CG,
                                               FEC, H, HM, M-1, RC, RFC, VP

FORMS:

RETURN DETAILS: Schedule RC should show the same group credit generated as Test Return 3 and allocate the remainder of the credit generated to Test Return 5 and should show the credit being used by an affiliate (Test Return 4). Use any combination of Harbor Maintenance and other credits to reduce the corporations' separately determined excise to $456, without using either the Research Credit or the Film Credit. These credits, used against the income measure of excise, should be included in the schedule CR for Test Return 3.

FORM/SCHEDULE DETAILS:

ADDITIONAL NOTES: Positive net income.

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TEST RETURN 6

FORM: 355S

EIN: 400-44-5555

SCHEDULES: A, B, C, E, E-1, CD, CR, A-1, A-2, A-3, AA-1,
                                         ABI, ABIE, BC, E-2, EOAC, F, F-2, H-2, HM,
                                         M-1, NIR, RC, RFC, S, SK-1, TDS

FORMS: M-2220

RETURN DETAILS:

FORM/SCHEDULE DETAILS:

SCHEDULE A, LINE 18   >10,000,000

SCHEDULE S, LINE 17   >=6,000,000

SCHEDULE F   MUTIPLE STATES

ADDITIONAL NOTES: Use the ty06 rates for the Form M-2220.

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TEST RETURN 7

FORM: 355S

TYPE OF CORPORATION: CLASSIFIED Mfg.

EIN: 405-75-7575

SCHEDULES: A, B, D, E, E-1, CD, CR, A-1, A-2, A-3, AA-1,
                                                        ABI, ABIE, FEC, H, M-1, S, SK-1, VP

RETURN DETAILS:

FORM/SCHEDULE DETAILS:

SCHEDULE S: INCOME FROM RESIDENTS AND NON-
                                                        RESIDENTS

ADDITIONAL NOTES:

TEST RETURN 8

FORM: 355SC

EIN: 409-99-9999

SCHEDULES: A, BC, TDS, VP

FORMS: M-2220

RETURN DETAILS:

FORM/SCHEDULE DETAILS:

ADDITIONAL NOTES: Use the ty06 rates for the Form M-2220.

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TEST RETURN 9

FORM: 355-7004

EIN: 126-54-9876

ADDITIONAL NOTES: Please make a payment with the extension.

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TEST RETURN 10

FORM: FORM 2

EIN: 408-88-8888

SCHEDULES: A-LIHC, C-LIHC, EE-LIHC, T-LIHC, B, BC,
                                     BR, D, E, F, EOAC, FEC, H, H-2, IDD, 2K-1,
                                     A-HRC, IC-HRC, T-HRC, HEEC, TDS, RFC

FORMS: M-2210F

RETURN DETAILS:

FORM/SCHEDULE DETAILS:

ADDITIONAL NOTES: Use the ty06 rates for the Form M-2210F.

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TEST RETURN 11

FORM: FORM 2-G

EIN: 407-77-7777

SCHEDULES: A-LIHC, C-LIHC, EE-LIHC, T-LIHC, B, BC,
                                    BR, D, E, F, EOAC, FEC, H, H-2, IDD, 2K-1,
                                    A-HRC, IC-HRC, T-HRC, HEEC, TDS, RFC

FORMS: M-2210F

RETURN DETAILS:

FORM/SCHEDULE DETAILS:

ADDITIONAL NOTES: Use the ty06 rates for the Form M-2210F.

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TEST RETURN 12

FORM: FORM 3

EIN: 404-24-0010

SCHEDULES: A-LIHC, C-LIHC, EE-LIHC, T-LIHC, BC,
                                           EOAC, FEC, H-2, A-HRC, IC-HRC, T-HRC,
                                           HEEC, TDS, RFC, 3K-1

FORMS:

RETURN DETAILS:

FORM/SCHEDULE DETAILS:

ADDITIONAL NOTES:

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TEST RETURN 13

FORM: M-8736

EIN: 408-88-8888

ADDITIONAL NOTES: Please make a payment with the extension.

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SCHEDULES

FORMS

TEST	CORPORATE RETURN INFO	A	B	C	D	E	E-1	CD	CR	A-1	A-2	A-3	AA-1	ABI	ABIE	A-HRC	A-LIHC	BC	CG	CIR	E-2	E-CG	EE-LIHC	EOAC	F	F-2	FEC	H	H-2	HM	IC-HRC	M-1	NIR	RC	RFC	RNW	S	SK-1	TDS	T-HRC	T-LIHC	VP	M-2220	355-SV
1	FORM 355	1	1	1		1	1	1	1	1	1	1	1	1	1	1	1	1	0	1	1	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	1	1	1		1	
2	FORM 355	1	1			1	1	1	1									0		1		0				1						1			1		0	0				1		
3	FORM 355C PRINCIPAL REPORTING CORP.	1	1	1	0	1	1	1		1	1	1	1	1	1			1	1	1	1	1			1	1	1	1	1			1	1	1			0	0	1					
4	FORM 355C AFFILIATE	1	1	1	0	1	1	1		1		1	1						0			1			1			1				1		1			0	0					1	
5	FORM 355C AFFILIATE	1	1		1	0	1	1			1		1						0		1	1				1	1		1			1		1	1		0	0				1		
6	FORM 355S	1	1	1		1	1	1	1	1	1	1	1	1				1	0		1	0			1	1	1		1	1		1	1	1	1		1	1	1				1	
7	FORM 355S	1	1		1	1	1	1	1	1	1	1	1	1	1				0			0				1	1		1			1		1	1				1	1				
8	FORM 355SC	1	0	0	0	0	0	0	0	0	0	0	0	0		0	1	0	0	0	0	0		0	0	0	0	0	0		0	0	0	0	0	0	1	0	0	1		1	1	
9	FORM 355-7004																																											

YELLOW FILL: FORM 355
GREEN FILL: FORM 355C
BLUE FILL: FORM 355S
RED FILL: FORM 355SC

MASSACHUSETTS DEPARTMENT OF REVENUE MBATS SCENARIOS TAX YEAR 2007

SCHEDULES

	FIDO & PARTNERSHIP RETURN INFO	A-LIHC	C-LIHC	EE-LIHC	T-LIHC	B	BC	BR	D	E	F	EOAC	FEC	H	H-2	IDD	2K-1	A-HRC	IC-HRC	T-HRC	HEEC	M-2210F	TDS	RFC	3K-1
10	FORM 2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0
11	FORM 2-G	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0
12	FORM 3	1	1	1	1	0	1	0	0	0	0	1	1	0	1	0	0	1	1	1	1	0	1	1	1

13	M-8736

GRAY FILL: FORM 2
ORANGE FILL: FORM2-G
PINK FILL: FORM 3